

HOUSE BILL 739
By Stanley

AN ACT to amend Tennessee Code Annotated, Title 56, relative to certain cooperative health insurance arrangements for small employers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-26-204(a), is amended by adding the following as a new subdivision:

(3) Ten (10) or more employers of the same nonprofit business cooperative or nonprofit business association for the encouragement of commerce in a locality or statewide, organized in Tennessee, may enter into an agreement with the cooperative or association to pool their liabilities under this chapter for the purpose of qualifying as self-insurers for offering group accident and health insurance to employees of member employers. Such nonprofit business or association shall be limited to small employers as defined by Section 56-7-2203. The business cooperative or association shall:

(A) Have a charter or bylaws;

(B) Have members who support the organization by regular payment of dues on an annual, semiannual, quarterly, or monthly basis; and

(C) Otherwise comply with the requirements of a "bona fide association" as defined in § 56-7-2802(3).

SECTION 2. This act shall take effect July 1, 2005, the public welfare requiring it.